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106th plenary meeting
Monday, 27 June 2005, 10 a.m.
New York

President: Mr. Ping ..... (Gabon)

The meeting was called to order at 10.15 a.m.

Agenda item 84 (*continued*)

Follow-up to and implementation of the outcome of the International Conference on Financing for Development: High-level Dialogue of the General Assembly on Financing for Development

Reports of the Secretary-General (A/59/800 and A/59/822)

Notes by the Secretary-General (A/59/826 and A/59/850)

Summary by the President of the Economic and Social Council (A/59/823)

Note by the Secretariat (A/59/855)

Conference room paper (A/59/CRP.6)

The President (*spoke in French*): The General Assembly will now begin its High-level Dialogue on Financing for Development in accordance with resolutions 59/145 of 17 December 2004, 59/225 of 22 December 2004 and 59/293 of 27 May 2005.

Document A/59/823 contains a summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development.

Document A/59/855 contains a note by the Secretariat entitled "Summary of the informal interactive hearings on issues related to financing for development".

The overall theme of the High-level Dialogue is "The Monterrey Consensus: status of implementation and tasks ahead".

The High-level Dialogue will consist of a series of formal and informal meetings to constitute a policy dialogue and six interactive multi-stakeholder round tables. A more detailed programme is announced in the *Journal* of the United Nations.

We are gathered here today for the second High-level Dialogue on Financing for Development to assess the status of implementation of the Monterrey Consensus and to discuss future action to ensure that it is fully implemented.

The Dialogue is particularly significant, however, because it will enable us to pass yet another important milestone as we move towards the September High-level Plenary Meeting.

As these meetings begin, I should like to recall the very special process that has brought us here today. The International Conference on Financing for Development, held in Monterrey, Mexico, in March 2002, reflected the General Assembly's growing awareness of the developing countries' complex

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problems of development and their lack of financial resources.

The process begun in Monterrey is geared primarily towards exploring in depth the main interdependent factors that affect States' ability to generate and obtain the financial resources they need to develop.

The first phase consisted of carrying out an exhaustive study with the participation of various players — including central banks, ministries for finance and trade, civil society and the private sector — to identify the factors crucial to financing for development. Eight factors were thereby identified and were then grouped to fall within the six major areas of the Monterrey Consensus: mobilizing domestic financial resources; mobilizing private capital; international financial and technical cooperation; international trade; debt; and systemic issues.

In an unprecedented step, the World Bank, the International Monetary Fund and the World Trade Organization were invited to join the United Nations in a dynamic partnership in order that, together, they could find ways to mobilize new public and private financial resources to support national development efforts. The General Assembly, in recognizing that States have both an individual and a shared responsibility in the complex and multidimensional process of development, decided that the intergovernmental approach to financing for development should be comprehensive and should lead to the holistic partnership underpinning the Monterrey Consensus.

As members are aware, the Millennium Development Goals (MDGs), which were adopted in 2000 by heads of State and Government, are crucially interlinked with the Monterrey process, given the part that could be played by financing for development in freeing men, women and children from sub-human conditions of extreme poverty.

Looking towards the High-level Plenary Meeting to be held in September 2005 to, in particular, assess the implementation of the MDGs, many projects have been formulated in recent months to foster development. We must welcome the recent decision by the ministers of finance of the Group of Eight (G-8), taken on 11 June 2005 at London, to cancel 100 per cent of the debt of 18 development countries. We also welcome other measures, including that of the European Commission to increase official development assistance to reach the 0.7 per cent target of gross national product within a very clear time frame; those in the context of the Doha round seeking to put in place more equitable trade measures; and all others aiming at deploying new and innovative sources of financing, such as the establishment of an International Finance Facility.

The debate that will follow will no doubt also enable many delegations to explain in greater detail the measures on which their respective Governments are now working, in particular in the lead-up to the G-8 summit to be held at Gleneagles, Scotland, from 6 to 8 July, to work out the scope and details of implementation.

I also wish to welcome the historic decision to establish a development fund taken — on the initiative of Qatar — by heads of State or Government of the countries of the South at the Second South Summit, held from 14 to 16 June in Doha.

In that context, it is essential to strengthen the coherence of the international financial, trade and monetary systems to establish an international climate that enables developing countries to carry out reforms to mobilize domestic resources. On the eve of December's World Trade Organization ministerial meeting in the context of the Doha round, the international community must mobilize to conclude a general agreement that truly contributes to the establishment of a multilateral trading system that is more open and equitable, better regulated, non-discriminatory and more favourable to development.

I would like to conclude by reiterating the appeal made by heads of State and Government at Monterrey calling for "a follow-up international conference to review the implementation of the Monterrey Consensus" and stating that "The modalities of that conference shall be decided upon not later than 2005" (A/CONF.198/11, resolution 1, annex, para. 73). I would therefore urge all members to heed that call and to include in the decisions to be taken this year the holding of a follow-up conference on financing for development to be held in 2007, five years after Monterrey.

I now call on Secretary-General Kofi Annan.

The Secretary-General: It is a pleasure to welcome all participants to the United Nations. I think

we can all sense that this is a period of extraordinary promise, a moment when this body's decisions can make history. Let me be more precise: What can help make poverty history?

Many years of hard work have brought us to the threshold of a breakthrough in our pursuit of development and human dignity. Not so very long ago, many feared that development in the world's poorest countries was in danger of being given up as a lost cause. Some held that extreme poverty was a sad but inescapable aspect of the human condition. Quite rightly, that view is now seen as intellectually indefensible and morally untenable. Today it is widely recognized not only that poverty must be defeated, but that it can be.

There is real hope today because, first and foremost, many developing countries have succeeded in lifting millions of people out of impoverishment and despair. There is real momentum, because the international community has banded together in a sustained, unprecedented effort. United Nations conferences and summits have mapped out a vision. The Millennium Development Goals have become a rallying point of unparalleled scope, the globally accepted benchmarks by which our policies should be fashioned and by which our progress should be judged. The Monterrey Consensus has brought rich and poor countries together in partnership. The Millennium Project has given us a plan of action. All along, the tenacious advocacy of leaders, citizens, civil society groups and the occasional rock star or movie star has boosted public awareness, creating a popular groundswell of pressure on the representatives in this Hall and on their colleagues in Government. The question now, just 12 days before the Group of Eight (G-8) summit and less than 12 weeks before the 2005 world summit here at United Nations Headquarters, is whether we can close the deal.

As we heard earlier from the President of the General Assembly, the decision taken this month by the finance ministers of the G-8 is very encouraging. For too long, some of the world's poorest countries have faced an unpalatable choice between serving their peoples and servicing their debt. Now it is the debt that will be written off instead. It is also an enormous boost to know that the European Union has agreed upon a clear timetable for reaching the 0.7 per cent target for official development assistance by 2015. That will offer a chance finally to overcome the resource shortfalls that have kept so many millions of people mired in squalor.

Such steps make up for lost ground. They need to be accompanied by similarly dramatic action on the unfinished parts of the agenda. Rich and poor alike must do their part. Responsibility flows both ways. Developing countries have pledged to uphold the rule of law, fight corruption and build up their institutions. They have promised to invest in their human capital, mobilize their domestic resources and open their doors more readily to business activity. Many are doing just that.

On the other side, the developed countries have promised to support them. They should, for example, launch an international finance facility and double aid to Africa. Beyond aid and debt, they should also strive to reduce the damaging effects of volatile private capital flows and to increase the voice and participation of developing countries in global economic decision-making. Developed countries must also take the lead in creating a development-friendly trading system. If developing countries could compete on fair terms and did not have to contend with unfair subsidies and unduly high tariffs, they would reap dividends far beyond what aid and other measures could generate.

Until very recently, the poor and vulnerable had to settle for too many small steps — mere blips on the vast radar screen of need — when what they had hoped for were bold and meaningful advances. Today, we can and must do better. Despite new commitments on debt and official development assistance, the overall deal is not done. The new money for both is not yet there. The commitment is not yet universal — either among donor or developing countries or on so central an issue as trade.

Never, perhaps, have a few weeks mattered so much for the world's poor as the next few. The decisions you make and the action you take in 2006 will set the course for development over the coming decade. Mutual interest should guide you. All countries would benefit from efforts to build stable societies, strong markets and a rule-based global economy.

Mutual accountability should dispel doubts. A cardinal principle of the Monterrey Consensus — indeed, the very essence of the global partnership for development — is that States are accountable not only to their own peoples but to each other.

So let us work together for a successful summit. Let us grasp this opportunity to advance the cause of development, as well as the security and human rights agendas that are so closely bound up with it. Let us show that needless, senseless human misery shall have no place in our world.

The President (*spoke in French*): I thank the Secretary-General for his statement.

I give the floor to the President of the Economic and Social Council, Mr. Munir Akram.

Mr. Akram (Pakistan), President of the Economic and Social Council: It is a pleasure for me, representing the Economic and Social Council, to participate in the second high-level dialogue on financing for development. The dialogue is taking place at an important juncture in world history and for the developing countries.

The Monterrey Consensus outlined the comprehensive national and international policy actions required to achieve the internationally agreed development goals. It recognized that enhanced financial flows are critical to the realization of those development goals. And it acknowledged that dramatic shortfalls exist in the required resources.

At Monterrey, the world's leaders agreed to address the challenges faced in generating the required financing for development. Unfortunately, like other such global agreements, the Monterrey consensus suffers from a serious implementation deficit.

The Consensus assigned the Economic and Social Council important responsibilities for follow-up on the implementation of commitments. The Council is to promote greater coherence, coordination and cooperation between the United Nations and other international financial and trade institutions in the implementation of the agreed development goals. The special high-level meeting of the Economic and Social Council is designed to perform that function.

The special high-level meeting of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and United Nations Conference on Trade and Development was held on April 18 this year and focused on three sub-themes: first, policies and strategies; secondly, trade, investment and private flows; and thirdly, official development assistance, innovative sources of financing and debt.

The Economic and Social Council's discussions — held in a special plenary and during six round tables — benefited from the meetings of the International Monetary and Financial Committee and the Development Committee that were held the previous day, as well as from the Secretary-General's report entitled "In larger freedom".

In terms of policies and strategies, it was recognized that nationally formulated and owned development strategies, adequate policy space, greater overall coherence and coordination, including donor-recipient coordination, employment creation and greater support for private-sector-led growth are all critical elements in attaining the agreed development goals.

Good governance, particularly enhancing transparency and combating corruption, was also recognized as central to the effective implementation of national strategies. At the international level, the need to strengthen the voice and participation of developing countries in international financial institutions was viewed as an important factor for good global governance.

There was universal recognition of the key and substantial contribution that trade can make in securing enhanced resource flows for development. Consequently, there was unanimity in calling for an early, successful and genuinely development-oriented outcome of the Doha Round of multilateral trade negotiations.

On investment and private capital flows, several participants underscored the need for generating favourable business conditions for both domestic and foreign investors, including a stable macroeconomic environment, an effective regulatory framework, transparency and an enabling infrastructure.

Concern was expressed in the Economic and Social Council about the stability of international private capital flows. It was noted that, besides sound national macroeconomic policies, other initiatives were needed to mitigate the effect of the volatility of capital flows. These could include the use of innovative financial instruments, as well as improved multilateral official liquidity and the adoption of effective prudential regulations. There was also general agreement on the need to reduce the cost of the transmission of worker remittances.

With regard to official development assistance (ODA), the discussions recalled the 0.7 per cent ODA target, confirmed at Monterrey, and emphasized the need for a rapid increase in aid flows to reach the amount necessary to meet the internationally agreed development goals. It was also noted that aid effectiveness should be improved through greater coordination and harmonization.

The Economic and Social Council discussion generally supported recent initiatives on innovative sources of financing. Those sources should be additional to the existing official development assistance (ODA) commitments and targets. On the implementation of innovative financing, there was a general preference for an incremental approach.

The discussions noted the urgent need to solve the huge debt burden of the Heavily Indebted Poor Countries (HIPC) Debt Initiative countries, consideration of the situation of debt-distressed non-HIPC low-income countries, and the need for a comprehensive framework for solving debt problems of middle-income countries. Views on defining debt sustainability, however, remained divergent.

I am confident that the deliberations of the Economic and Social Council will contribute significantly to the Assembly's deliberations and to the outcome of the September high-level event.

The Economic and Social Council, for its part, will hold a high-level segment on the world economy and internationally agreed development goals on 29 and 30 June and 1 July.

The draft outcome document that you have circulated and the Secretary-General's report, entitled "In larger freedom", have presented several proposals to strengthen the Economic and Social Council. On 10 June 2005, in my capacity as the President of the Economic and Social Council, I forwarded to you, Sir, a non-paper outlining several steps to strengthen the role and contribution of the Economic and Social Council to development. That non-paper was developed on the basis of informal consultations and with the collaboration of several delegations, including those of Belgium, Germany and Sweden and the 15-member Group of Friends of United Nations reform. The informal consultations held by the Economic and Social Council on 5 May also contributed to the evolution of the non-paper. It is my view that the measures set out in the non-paper will enable the Economic and Social Council to achieve the following: first, it will promote global dialogue on social and economic policy trends; secondly, the Council will serve as a development cooperation forum; thirdly, it will enhance the linkage between peace and development; and lastly, it will strengthen operational coordination within the United Nations system. I trust the non-paper will receive full consideration in this meeting and in the outcome document for September.

In conclusion, Mr. President, let me wish your deliberations all success in — as the Secretary-General has put it — transforming poverty into history and making equality a reality.

The President (*spoke in French*): I should now like to turn to some organizational matters pertaining to the conduct of the meeting.

First of all, we turn to the length of statements. As indicated in the note of the Secretary-General (A/59/850), I urge speakers to limit their statements to five minutes, on the understanding that this will not preclude the distribution of more extensive texts.

In view of the large number of delegations already inscribed on the list of speakers, and there are 79 so far, I would appeal to speakers to cooperate in this respect.

To assist speakers in managing their time, a system of lights has been installed at the speaker's rostrum which functions as follows: a green light will be activated at the start of the speaker's statement; an orange light will be activated 30 seconds before the end of the 5 minutes; a red light will be activated when the 5-minute limit has elapsed.

I would like to inform members of the General Assembly that, in accordance with resolution 59/293 of 27 May 2005, the General Assembly will also hear statements by representatives of the following United Nations system organizations: the World Bank, the International Monetary Fund, the World Trade Organization, the United Nations Conference on Trade and Development and the United Nations Development Programme.

I now give the floor to His Excellency Mr. Delano Franklyn, Minister of State, Ministry of Foreign Affairs of Jamaica, who will speak on behalf of the Group of 77 and China.

Mr. Franklyn (Jamaica): I have the honour of speaking on behalf of the Group of 77 and China. All reports, reviews, analyses and consultations on development since the Monterrey conference lead to one major overall conclusion — namely, the international community has fallen far short of mobilizing the level of resources required to finance the level of development envisaged in the development-oriented summits and conferences, including the Millennium Summit. An unprecedented, multidimensional, coherent and focused thrust will be needed from the High-level Plenary Meeting to generate the level and quality of resources in the established time frame, even to meet the Millennium Development Goals.

We stress that the development challenge, as addressed at Monterrey, is comprehensive. It includes, but also extends well beyond, the achievement of the very important Millennium Development Goals. Deficit have emerged in all six areas of action identified in the Monterrey Consensus. Urgent action is therefore required in each area. The Secretary-General has concluded that, at mid-decade, most developing countries and countries with economies in transition have made significant progress in improving resource mobilization. Many of those resources, however, have not been available for investment to meet development objectives for a variety of reasons.

The G-77 and China, as a result of reasons already identified, propose, first of all, that emphasis be given to providing developing countries with the required policy space to be innovative, depending on national circumstances. Secondly, the international community should devise strategies to reverse, in the shortest possible time, the negative flow of resources from developing countries; and, thirdly, coordinated effort must be directed to enhancing the capacity of the local business sector to compete globally.

The Monterrey Consensus identified trade as an engine for development and, in many cases, the single most important external source of development financing. It welcomed the November 2001 decision of the World Trade Organization (WTO) to place the needs and interests of developing countries at the heart of its work programme and of leaders committed to the implementation of the WTO decisions.

There has been no progress on the substantive issues of interest to developing countries in the Doha Work Programme. The heads of State and Government of the G-77 and China, at their second South Summit in Qatar in June of this year, stressed the need for the WTO to become a fair, equitable and rules-based trading system that is inclusive and gives priority to the development dimension. Of course, a number of other factors were also stressed.

As we have heard on a number of occasions, the Monterrey Consensus urged developed countries to make concrete efforts towards the target of allocating 0.7 per cent of gross national product (GNP) to official development assistance (ODA) to all developing countries and 0.15 to 0.20 per cent to least developed countries. The declining trend in ODA has been halted. ODA from developed countries increased from a record low of 0.21 per cent of GNP in 2002 to 0.25 per cent in 2003 and 2004.

However, an increase of 0.04 per cent in ODA after the second year can hardly be defined as substantial. No new developed country has achieved the target since Monterrey. ODA currently includes debt relief, emergency aid and technical assistance, which have been increasing, and many developing countries have had to divert significant resources to disaster emergency and recovery activities and to the fight against international terrorism since 2002.

There is a sense of increasing recognition of the need to address the resources issue and of a momentum in that regard. For example, the Secretary-General made several proposals in his report, including the establishment of fixed timetables to achieve the 0.7 per cent target, and the European Union recently agreed on timetables for all its older members to reach the target by 2015, with an intermediate target for 2010. The G-77 and China welcomes those initiatives. Here, I must make special mention of the initiative of the Emir of Qatar to launch a fund for development and humanitarian assistance. That fund was launched at the Second Summit, held recently in Doha.

The Monterrey Consensus recognized the urgent need to enhance coherent governance and consistency of the international monetary, financial and trading systems. Despite that urgent recognition and increasing meetings involving the United Nations, the Bretton Woods institutions, the WTO and the United Nations Conference on Trade and Development, the systems remain incoherent. Actions in one area still often negate or constrain actions in the others.

The Summit of the G-77 and China called for: greater coordination among international institutions and agencies dealing with development, finance, monetary and trade issues to promote coherence in policies with a view to making them more development-oriented; action to deal with issues of global systemic imbalance in areas such as trade, finance, money and technology; and reform of the global financial architecture, including enhancing the voice and participation of developing countries in the decision-making processes of the international financial institutions, which affect their development options.

I know that instructions were given to limit statements to five minutes. However, because I am speaking on behalf of the Group of 77 and China, I am sure that members understand why I might have gone over my five minutes.

The President (*spoke in French*): I now call on His Excellency Mr. Luis Ernesto Derbez, Minister for Foreign Affairs of Mexico.

Mr. Derbez (Mexico) (*spoke in Spanish*): By defending the principles and norms of international law and by adopting an approach based on shared responsibility, Mexico has always supported the development and strengthening of the international system. We Mexicans regard the multilateral institutions, particularly the United Nations system, as the ideal forum for defending Mexico's interests abroad and for contributing to international development, peace and security.

Today, the community of nations faces a formidable challenge: to carry out the reforms necessary to ensure that the United Nations can effectively address the challenges set for us by the twenty-first century. We cannot pass up this unique opportunity to create a new international architecture that will promote a balance among the principal organs of the United Nations and improve the Organization's working methods and operations. If we do not take action to that end, we will condemn the United Nations to irrelevance.

Mexico has striven to promote comprehensive reform. By participating actively in the Group of Friends for United Nations Reform and in the "uniting for consensus" movement, we seek to achieve broad reform that will strengthen the United Nations, enhance its legitimacy, make it more representative and improve its capacity to prevent and respond to situations that could threaten world peace and security.

Mexico supports the vision expressed by Secretary-General Kofi Annan in his report presented last March (A/59/2005) in which he emphasized the importance of ensuring that the debate on Security Council reform is carried out in such a way so as not to impede progress in equally important organs, particularly the Economic and Social Council.

United Nations reform must be the fruit of a consensus-building effort among all Member countries. For the good of the Organization, we cannot permit the imposition of partial solutions that will only leave us with an institution that is fragmented and unable to cope with the demands that it was originally created to address. Only such an approach will enable us to prevent and promptly address conflicts that arise from a lack of access to development.

To make that vision a reality, we must promote, through the Economic and Social Council, the creation of a system of shared responsibility and dialogue with regional development organizations, as well as with the Bretton Woods institutions. We must link the Millennium Development Goals with the development financing mechanisms that emerged from the Monterrey Summit. Only in that way can we guarantee the benefits of globalization for our peoples.

Linking the Millennium Development Goals with the international financing mechanisms will make it possible to enhance coherence between national development strategies and the global economic process. Such linkage is essential, given that the opening up of trade and the liberalization of financial markets, together with the adjustments that developing countries have made in their national economies, have not in themselves been sufficient to attain the Millennium Development Goals.

Mexico attaches the highest priority to honouring its international obligations and has spoken out energetically in favour of meeting various historical demands of developing countries, particularly with regard to participation in the decision-making of the international financial institutions and the building of a system of trade that is fairer and more conducive to development.

The second High-level Dialogue, which brings us here today, provides us with the opportunity to

carefully review compliance with the Millennium Development Goals and to identify areas in which the international community needs to focus its efforts to achieve the results planned for 2015. I am convinced that this exercise will enable us to determine where the commitments of the Monterrey Consensus stand and what concrete actions we must take to achieve the Millennium Development Goals.

I take this opportunity to highlight the progress made at the global level in the area of official development assistance (ODA), particularly by developed countries that have met their commitment to allocate 0.7 per cent of their gross domestic product to ODA and by those that have established timetables for doing so. In addition, the Government of Mexico welcomes the agreements reached to relieve the burden of multilateral debt of the heavily indebted poor countries. Those agreements must be accompanied by the measures necessary to ensure the integrity of the international financial system.

The progress I have cited has resulted from the significant efforts of the international community as a whole — the donor countries, the developing countries and the poorest countries — to make this year a watershed in the area of international development policy.

We need a strong United Nations to make progress towards the Millennium Development Goals. That must be our commitment. We cannot pass up this historic opportunity to strengthen and reinvigorate the United Nations. To do that would be not only irresponsible but, frankly, dangerous. To give up on the possibility of an effective United Nations would be to give up on strengthening our ability to respond to the security and development dilemmas that we currently face. This Dialogue reminds us that that is not an option.

This is a crucial year for the future of the United Nations. As Member States, we must define a new international architecture capable of responding through dialogue and coordination to our peoples' demands for development and security.

The President (*spoke in French*): I now give the floor to Her Excellency Ms. Ulla Tørnæs, Minister for Development Cooperation of Denmark.

Ms. Tørnæs (Denmark): Let my start by associating myself with the statement to be delivered shortly by the representative of Luxembourg on behalf of the European Union.

Three years ago in Monterrey, a compact was forged between rich and poor countries in support of the objectives contained in the Millennium Declaration. Many countries announced increased contributions, and many deserve credit for honouring the commitments they made. I hope that the spirit of Monterrey will prevail at today's meeting, at the Group of Eight summit in Gleneagles and at the United Nations summit this September.

The case for more aid remains valid, not least in Africa. The figures speak for themselves. Four out of 10 Africans do not have enough to eat. Only six out of 10 African girls attend school. Twenty-eight million people in sub-Saharan Africa are infected with HIV/AIDS. This year alone, 1 million African children will die from malaria. It is a disgrace and a scar on our conscience that we continue to allow such human suffering.

I am proud to stand in front of the Assembly representing one of only five countries honouring the international commitment to devote 0.7 per cent of their gross domestic product to official development assistance. Let my key message today be to encourage all rich countries to do the same.

I am also proud to belong to a country member of the European Union (EU). At the EU summit less than two weeks ago, European heads of Government agreed on a new, ambitious EU target for development assistance. The agreed timetable includes an official development assistance target of 0.56 per cent by 2010, leading to 0.7 per cent in 2015. I look forward to welcoming my EU colleagues to the "group of 0.7", and I hope that more countries will be joining us soon.

The commitments we made in Monterrey are closely linked to the Millennium Development Goals. The Goals represent the most ambitious development agenda ever established. Developing countries have pledged to ensure that national poverty reduction strategies are designed in accordance with the Millennium Development Goals, and almost all are reporting on their accomplishments on a regular basis.

We, the donor countries, are also committed by the Millennium Development Goals. Goal-8 aims to ensure increased and better aid, free trade and access to modern technology. In 2003, Denmark became the first

donor country to issue a formal report on its efforts to meet those requirements. Today, I am pleased to submit our third Goal-8 report. It is my hope that it will serve as inspiration for others.

A key achievement at Monterrey was the establishment of a partnership based on mutual commitments. We agreed that in order to fully utilize the increased resource transfers, developing countries would take responsibility for their own development by strengthening governance, combating corruption, redirecting Government revenues, increasing domestic savings and furthering private sector development and entrepreneurship.

No matter how much aid is put on the table, kick-starting sustainable development processes in poor countries will be possible only if more emphasis is put on pro-poor economic growth through private sector development. That is particularly valid for sub-Saharan Africa. World Bank reports and many other analyses have indicated that economic growth rates of at least 7 per cent are necessary to reach the target of reducing by half the number of people living in absolute poverty — Millennium Development Goal 1.

Consequently, two of my key priorities as Danish Minister for Development Cooperation are, first, to support the creation of enabling environments for private sector development in Danish partner countries, thereby strengthening economic growth; and, secondly, to assist poor countries to integrate more fully into the world economy, thereby maximizing the benefits of globalization. To that end, within the next month I will launch both an action plan for business growth and development and a strategy for trade, growth and development. There is no doubt that an open and balanced free trade regime is a precondition for growth and for poverty reduction.

One of the mantras most popular now in the ongoing Doha trade negotiations is surely "development round". But what is behind that buzzword? What will it take to extract a real, development-friendly outcome from Doha?

In my view, three elements are crucial. We all need to grant immediate duty-free and quota-free access for all exports from the poorest countries to our markets. We all need to stop insisting on reciprocity and make Doha a free round for the poorest countries. And we all need to ensure adequate attention to trade: developing countries must integrate trade aspects in their national poverty reduction strategies, and donors must provide the necessary trade-related assistance.

In conclusion, my three main points today have been centred on the triangular relationship of aid, growth and trade — all integral elements of Danish development policy. So, let me end where I started: insisting on the case for more aid, particularly for Africa. I welcome the many visionary proposals for innovative sources of financing, and I hope that this High-level Dialogue will result in agreement on some of the proposals. But I feel compelled to warn against the possible diversion of attention. We must all agree, rich and poor countries alike, that innovative sources of development financing should be additional. They must not be a guise to mask a lack of political will to honour the long-standing international commitment of providing a sufficient amount of official development assistance. Let us make the global partnership — of Millennium Development Goal 8, which we reaffirmed in both Monterrey and Johannesburg — become a reality.

The President (*spoke in French*): I now give the floor to His Excellency the Right Honourable Hilary Benn, MP, Secretary of State for International Development of the United Kingdom of Great Britain and Northern Ireland.

Mr. Benn (United Kingdom): One hundred fifty years ago, a scientist named John Snow became convinced that a contaminated well was at the centre of the cholera outbreak in London. He persuaded the authorities to remove the handle from the pump on the well. The epidemic subsided, and people's lives were saved.

We meet here this morning, on the sixtieth anniversary of the signing of the United Nations Charter in San Francisco, also confronted by an epidemic: an epidemic of disease, want, ignorance and poverty that afflicts so many of our fellow human beings. The lack of clean water still kills 6,000 children on this planet of ours every single day.

As we look forward to the millennium review summit and ask the question of how we are doing on the commitments that we entered into, we know that at present rates of progress, primary education for all will not be achieved until 2130. That is 115 years too late. Poverty will not be halved until 2150 — that is 135 years too late. We will not defeat avoidable infant diseases until 2165 — that is 150 years too late.

Those who die today, are ill today, do not go to school today and are poor today cannot wait that long. To help, we must provide more aid, better debt relief and fairer trade. We are making some progress. Five countries — and we have heard from one of those already today — have already achieved the United Nations target of 0.7 per cent for official development assistance; others are signing up. The United Kingdom is committed to achieving the target by 2013 and the European Union agreed collectively a month ago to reach 0.56 per cent in 2010 and 0.7 per cent by 2015. That will double Union aid from $40 billion to $80 billion in 2010. Half of that will go to Africa. That is Europe at its best and a great achievement for the Luxembourg presidency. I support the comments of the presidency that we will hear later on.

But it is not enough. We all need to increase our aid, to make it long-term and predictable so that developing countries can rely upon it, and to ensure that it is used effectively to support the priorities the developing countries set for themselves.

We also need to recognize that those future aid commitments will not deliver the funds that are needed today. That is why we have proposed an international finance facility to front-load our aid commitments and a pilot international finance facility for immunization. We very much welcome the support of 80 countries, as well as a wide range of non-governmental organizations and faith groups. I also welcome the work on innovative financing led by France, Germany, Brazil and others to raise additional resources for development, such as the airline ticket levy.

Debt relief, of course, does make a difference in providing predictable finance, and G-8 finance ministers have already reached an agreement under which countries of the Heavily Indebted Poor Countries Debt Initiative will receive 100 per cent debt-stock cancellation. That could be worth up to $55 billion to 38 countries in Africa, Asia and Latin America.

The G-8 meeting in Gleneagles and the millennium review summit in September provide the best opportunity in this historic year to take the decisions we know are needed to help meet the goals that we set ourselves for 2015.

But in truth, the future of developing countries rightly must rest in their own hands. They must ensure peace and stability, deliver good governance, create strong institutions and — yes — raise their own finance because, ultimately, it is economic growth, jobs and increased Government revenue that will really provide the long-term finance for development. That is why in December, when the World Trade Organization meets in Hong Kong, we must seize the opportunity to secure a fairer trade deal, reduce the barriers to trade both in developing countries and between developing countries, set a date to abolish all forms of export support, and end trade-distorting domestic support so that countries can do what they want to earn and to trade their way out of poverty.

The Secretary-General was right when he said that fighting poverty is the moral challenge of our generation. We have the means to do something about it and the world is watching us with hope and expectation that we will rise to that challenge and, in so doing, help to change the lives of billions of our fellow human beings for the better.

The President (*spoke in French*): I now call on Her Excellency Ms. Carlin Jämtin, Minister for International Development Cooperation of Sweden.

Ms. Jämtin (Sweden): The High-level Plenary Meeting of the General Assembly in September represents a unique opportunity to move the international agenda forward and to promote development, respect for human rights, and peace and security. We should try at this meeting to challenge ourselves to be as concrete as possible in our decisions and, when possible, to set clear timetables and deadlines for achieving the agreed results. In the development area, today's meeting is one of the most important. I look forward to a constructive and decision-oriented discussion today on how to take the Monterrey Consensus forward and on commitments that will allow us to achieve the Millennium Development Goals by 2015.

This year, we also took important decisions in the Paris Declaration on Aid Effectiveness in March 2005. Indicators for measuring progress are currently being developed and will be ready for adoption before the High-level Meeting. In September, Governments should commit to fully implementing the Paris Declaration by 2010. For our part, we will aim to achieve some of the goals earlier than 2010. I would also like to encourage donor countries to establish clear, time-bound plans to reach the 0.7 per cent target as soon as possible. As was said earlier, the European

Union recently adopted a plan and I warmly welcome that adoption.

Debt reduction is another tool to achieve better and more predictable development financing. Sweden welcomes the recent proposal from the G-8 meeting of finance ministers to cancel the debt owed to the World Bank, the African Development Bank and the International Monetary Fund by a number of poor, debt-distressed countries. It is crucial, however, to ensure that the initiative does not undermine the ability of the international financial institutions to provide poor countries with grants and concessional development financing in the years to come.

Another issue is trade. Trade may be the most important engine for growth in developing countries. Access to the markets of developed countries must be improved. At the High-level Meeting, world leaders should resolve to complete the World Trade Organization (WTO) Doha Round no later than 2006, with full commitment to realizing its ambitious development focus. Failure to do so would be a serious setback to development efforts. As a first step, we should provide immediate duty-free and quota-free access for all exports from the least developed countries. We also need to work towards the abolishment of all export subsidies and other forms of trade-distorting subsidies, such as agricultural subsidies. Developing countries should also systematically integrate trade into their development policies and poverty reduction strategies.

The Monterrey Consensus is based on the principle of shared responsibility for their own development. In order to reach the Millennium Development Goals, fully integrating them into existing poverty reduction strategies should be a priority. The United Nations system has an important role in supporting that process, but implementing United Nations reform both at Headquarters and at the country level is a prerequisite for optimal performance. Particular attention must being given in the poverty reduction strategies to cross-cutting issues, such as gender, environmental sustainability, health — including sexual and reproductive health and rights — and education.

Good political and economic governance is key for sustainable and equitable development. It involves institutional reform and fighting corruption, genuine participation and democracy, and ensuring respect and protection of human rights. Good governance is also the foundation for an effective use of domestic and external resources. Two concerns stand out: ensuring a more equitable distribution of resources and delivering employment. Increasing joblessness has marked several growth economies and, as a direct consequence, poverty has become entrenched.

Finally, the issues I have mentioned above are all dealt with within different institutions — the United Nations and the WTO, as well as the Bretton Woods institutions. In order to ensure a coherent approach to development, a more holistic or systemic view of the international financial architecture needs to be developed. We need to embark on that broader strategic discussion after the High-level Meeting, but we already now expect the Bretton Woods institutions, the United Nations and the WTO, as well as all of the Member States, to increase their efforts to develop systematic and seamless coordination of efforts in peaceful as well as post-conflict situations.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Paul Toungui, Minister of State for the Economy, Finance, Budget and Privatization of Gabon.

Mr. Toungui (Gabon) (*spoke in French*): I would first like to welcome the holding of this High-level Dialogue, which gives us an opportunity to take stock of the progress made in the area of financing for development, as well as to look towards our future efforts.

I associate myself fully with that statement made by Jamaica on behalf of the Group of 77 and China.

Allow me to say how much I appreciate the skill with which you, Mr. President, have guided the work of the fifty-ninth session of the General Assembly, including this debate. I wish also to thank the Secretary-General for the quality of the reports he has submitted to us.

In September 2000, the international community committed itself to achieving a number of development goals, particularly that of reducing poverty by and 2015. In following up the Millennium Summit, the International Conference on Financing for Development and the World Summit on Sustainable Development were held at Monterrey in March 2002 and at Johannesburg in August and September 2002, respectively. Three years later, efforts by the

international community have fallen short of achieving the Millennium Development Goals.

With regard to mobilizing national resources, efforts made by developing countries, in particular to strengthen good governance and stabilize macro-economic policies, have on the whole, unfortunately, not achieved the expected results. We are convinced that better developing national strategies, expanding the economic base and building human capacities will make it possible to further mobilize resources.

With regard to foreign direct investment, it is concentrated on a small number of countries, slowing the expansion of the private sector. In those circumstances, we believe that the measures proposed by the Secretary-General in his report (A/59/826) are appropriate.

With regard to international trade, the failure of the 2003 World Trade Organization (WTO) Ministerial Conference, at Cancún, should not slow efforts to develop trade relations between developed and developing countries. Strengthening international cooperation in this area is essential to ensuring effective liberalization of trade. We hope that the upcoming WTO Ministerial Conference in December 2005 will make it possible to rectify the Cancún failure.

With regard to an increase in international financial and technical cooperation for development, it is clear that, given the current trend, the Monterrey commitment to double official development assistance is far from being reached. Shortfalls in financing the Millennium Development Goals have led to the fear in many countries that the Monterrey Consensus will become mere wishful thinking. In that regard, my Government welcomes the initiative to find new sources of financing. Here, I would point to the International Finance Facility, proposed by the United Kingdom with the support of France, the concept of international taxation and the new initiative proposed by President Lula da Silva of Brazil.

Regarding foreign debt, budget readjustments and structural reforms have been cancelled out by the debt burden, weakening the economic strength of developing countries and making it difficult to attain the Millennium Development Goals. In that connection, we welcome the Group of Eight (G-8) initiative on cancelling multilateral debt. We hope that initiative will be expanded to other developing countries, including medium-income countries such as Gabon.

With regard to systemic problems, strengthening multilateral oversight is essential to preventing economic and financial crises and sheltering developing countries from external upheavals and ensuring their sustainable development. It is also necessary that the views of developing countries be taken into account in the formulation and taking of decisions by multilateral financial and trade institutions.

Under the leadership of our country's President, El Hadj Omar Bongo Ondimba, Gabon has committed itself to implementing the Monterrey Consensus through in-depth reform of its economy. The most important of those reforms include improving and strengthening public funding, in particular by strengthening the effectiveness of public expenditures and increasing transparency in the management of public resources and good governance; strengthening the financial and banking sector and promoting microfinancing; speeding up structural reforms, with a view to reducing the high cost of production, improving the competitiveness of businesses and making the national economy more attractive to investors; putting in place an incentives-based and liberalized regulatory framework to protect investments and improve the business climate; establishing a centralized agency to promote private investment; improving forestry and mining codes; and making labour legislation more flexible. Moreover, significant progress has been made in strengthening governance and improving transparency, with a view to further improving the business climate and the management of public resources.

Given the current debt burden, national capacities and resources alone are insufficient. The situations will continue until the international community finds a proper and mutually beneficial solution. The international finance community should support the national efforts of Gabon and other developing countries to deal comprehensively with the debt issue, so as to guarantee sustainable growth. In Gabon's case, a detailed long-range analysis reveals that, despite considerable internal adjustment and optimistic projections concerning non-oil-related foreign direct investment and the rate of development of non-petroleum sectors, the simple interplay between debt

and the immediate need for financing will result in a deterioration of all key indicators.

My country, Gabon, reiterates its commitment to combat poverty and associates itself with the international community's efforts to reach the Millennium Development Goals.

The President (*spoke in French*): I now give the floor to Mr. Conor Lenihan, Minister for Development Cooperation of Ireland.

Mr. Lenihan (Ireland): Ireland too supports the statement to be delivered on behalf of the European Union by the Luxembourg presidency.

The year 2005 is a critical one, because world leaders will have to account for what they have done over the last five years to meet their commitments associated with eradicating extreme poverty and hunger, including the commitments made at Monterrey to mobilize the necessary financing for that valuable work.

As the world's leading aid donor, the European Union is playing its part in taking forward the Monterrey Consensus. I am proud that the Union will double its official development assistance (ODA) between 2004 and 2010, resulting in an additional €20 billion per annum by 2010. We have already made good progress towards the target we set ourselves in Barcelona, and we will reach the target of 0.7 per cent of gross national product by 2015. This is an area where momentum is building up and where a consensus is at last emerging among developed countries. I hope that other major donors will also be encouraged to move towards the 0.7 per cent target. Ireland strongly supports the European Union decision to concentrate more than 50 per cent of the increase in ODA on Africa, where some 85 per cent of Ireland's own bilateral programme country assistance is actually spent.

The year 2005 provides a critical opportunity for developing countries to show that, with the support of their development partners, they are strengthening governance at the country level. Better governance, bringing increased transparency and accountability to local and national levels of government, must be seen not primarily as a quid pro quo for increased aid, but as an essential factor in itself in reducing poverty.

I am also conscious that there are important roles that only donors can play in improving governance at the country level. For instance, we need to confront those institutions and individuals from our own countries whose corrupt activities effectively undermine governance in the developing countries that are our partners. We need to ensure that our aid is properly accounted for and can be seen not to have been the subject of corrupt or fraudulent use.

I would like to turn now to a most welcome development, namely, the recent announcement by the Group of Eight (G-8) finance ministers that they will finance 100 per cent of the cancellation of World Bank, African Development Bank and International Monetary Fund (IMF) debt owed by a group of the world's poorest countries. For the first time, the most powerful countries in the world, those that effectively control decision-making at the World Bank, the IMF and the other multilateral institutions, have accepted that many countries should have their loans with those institutions completely written off. That agreement represents very significant progress towards solving the, so-far, intractable problem of third-world debt.

That has been Ireland's position for some time. Our official policy adopted in 2002 called for 100 per cent debt cancellation for all countries in the Heavily Indebted Poor Countries (HIPC) group. For Ireland, the success of our debt-cancellation scheme is principally measured by how much it increases the money available to the beneficiary Government for spending on poverty reduction. In this regard, the multilateral debt relief initiative proposed last autumn by Gordon Brown of Britain had great appeal for us. Funded from growing aid budgets, the relief delivered would have had no impact on other aid flows to the beneficiary country. Moreover, the stated objective of the initiative was to increase resources available to low-income countries to help them reach the Millennium Development Goals. The initiative was also attractive on equity grounds, as it envisaged relief for all low-income countries. I feel that all the HIPC countries should ultimately receive comparable relief, whatever their current status in progressing through the HIPC Initiative.

I welcome the decision of the G-8 donor countries to compensate the lending institutions for the cost of debt cancellation, so that the institutions' ability to provide grants and loans to low-income countries would not be reduced. I believe, however, that the opportunities for the beneficiary countries to achieve the Millennium Development Goals will be enhanced

only if, at the same time as their debts are cancelled, the aid they receive, including the funds allocated to them by the lending institutions, is maintained or increased.

Ireland and other non-G-8 donors will be expected to participate in the financing of the debt cancellation. For Ireland, which is not a lender and has always provided its aid as grants, every euro we put into debt relief should turn into an extra euro for the country receiving the relief. I hope that, in the process of bringing their donor partners on board, the G-8 countries will be prepared to show flexibility with regard to the objectives and principles — such as additionality — which govern the implementation of the initiative, so that we can all take part with optimism and enthusiasm.

The quality and effectiveness of aid, however, is also a hugely critical issue in this particular year. Providing our aid within a framework that promotes the rule of law, transparency and accountability at all levels will enable us to reinforce, rather than undermine, local ownership and local capacity, while at the same time satisfying the accountability requirements of our own taxpayers.

The structure of aid is also critical to its effectiveness. When we met in Paris earlier this year, Ireland laid particular emphasis on the need to untie aid from the donor countries and allow more of it to be spent by and in developing countries. We believe that that is key to multiplying its developmental impact. The G-8 statement earlier this month called on the Development Assistance Committee of the Organisation for Economic Cooperation and Development to set ambitious and credible targets for the aid effectiveness indicators that we agreed in Paris, and to do so before September. It is particularly important for targets to be set for untying aid, and that we move now to commit ourselves to untying technical cooperation.

The President (*spoke in French*): I now give the floor to Her Excellency Mrs. Heidemarie Wieczorek-Zeul, Federal Minister for Economic Cooperation and Development of Germany.

Mrs. Wieczorek-Zeul (Germany): At the millennium General Assembly in 2000, when we all decided on the Millennium Development Goals, a representative of a Latin American country said in his statement, "How many times have you rich countries made a commitment to make this world a fairer place and to fight global poverty? I have heard these promises for a long time, and nothing has changed". Then, he looked at us and said, "But, surprise me".

I must confess that, ever since, I have regarded those words — "surprise me" — as a challenge to the industrialized countries, which have an obligation to fulfil their promises.

We in the German Government have set ourselves the task of helping to put an end to the scandal of poverty and to the outrageous fact that 30,000 children per day die from preventable diseases. Poverty is a dangerous weapon of mass destruction that we must all fight with all our might, as we fight all weapons of mass destruction. That is why it is all the more obscene that global spending on armaments has now reached the level of more than $1 trillion, while global expenditure on development cooperation is only $78 billion.

That is not how we will make the world a more peaceful place. I therefore call on all players to shift their expenditure priorities towards development and poverty reduction, because that is the way in which we can make a clear contribution towards reducing violence — and manage to establish peace as the law of human life more and more firmly.

Germany supported the adoption of a timetable by the European Union — and I thank the Luxembourg presidency very much for increasing the levels of funding for official development cooperation so as to reach 0.7 per cent by 2015.

The plan to increase official development assistance (ODA) means for us, the German Government, a commitment to raise German ODA to 0.51 per cent by 2010 and to 0.7 per cent by 2015. And we will fulfil that commitment.

Our Government supports and finances the multilateral debt relief for Heavily Indebted Poor Countries (HIPC) Debt Initiative countries on which Group of Eight (G-8) ministers of finance agreed during their meeting in June. That provides a multilateral complement to the HIPC debt relief initiative adopted at the 1999 Cologne G-8 Summit, in which we played an essential part.

This is also the time to ask for innovative financing instruments. I would like to make a very strong call for achieving a breakthrough on new

financing instruments, such as transaction taxes or charges on aviation fuel. This is something that we must do. I think it is imperative for the following reason: global public goods are being used and often exploited, but so far countries have been acting as free riders, hoping that other countries will take care of the problem.

That cannot, and must not, continue. Otherwise, we will sooner or later ruin the very basis of our human community. I therefore call upon all of us to shoulder our shared responsibility on these issues and to act on the issues through leadership.

There are other points — and many colleagues have mentioned them — relating to the unjust trade relations that exist at the global level. I would like to make two points that are very dear to my heart, and, I think, to the hearts of all of us. We must eliminate cotton subsidies, which are truly obscene. That would enable the 12 million people in West Africa who are producing competitive, high-quality cotton to provide their own income and not to have to face the unfair trading competitiveness of others that have thus far resulted in unfair decisions and unfair subsidies in the world. I call on Governments to end those subsidies.

We must also eliminate agricultural export subsidies so that our agricultural exports do not further destroy local markets in developing countries, and in order to give those markets a chance. That is a challenge with regard to which the European Union, too, must become active.

Lastly, I would like to ask: what kind of a world do we want to live in in the future? In a world of more violence, of more hatred, of more confrontation? Or in a world of peace, cooperation and tolerance? I think it is up to all of us to decide.

The President (*spoke in French*): I now give the floor to His Excellency The Honourable Baledzi Goalathe, Minister for Finance and Development Planning of Botswana.

Mr. Goalathe (Botswana): Nearly five years ago, the international community met at the Millennium Summit. It was confronted by development challenges, such as extreme poverty, disease — notably HIV and AIDS — and the maintenance of peace and security. That resulted in the adoption of the Millennium Declaration. Two years later, in 2002, United Nations Member States, at the head of State and Government level, met in Monterrey, Mexico, to address the challenges of financing for development, especially in developing countries. The outcome of that meeting was the Monterrey Consensus, a declaration in which leaders committed themselves to mobilize resources and implement policies and strategies aimed at eradicating poverty, achieving sustained economic growth and promoting sustainable development. Of significant importance was the recognition by the Monterrey conference that developing countries' own efforts needed to be supplemented by increased official development assistance (ODA), debt relief and the removal of protectionism, if they were to succeed in achieving the Millennium Development Goals by the year 2015.

Today, we are meeting against the background of little progress in terms of the implementation of the Millennium Declaration. Challenges identified five years ago still persist. HIV and AIDS continue to be a major challenge of our time. The proportion of people living in extreme poverty in sub-Saharan Africa remains above 45 per cent. The region is also afflicted by continuing food insecurity, high maternal mortality and a large proportion of people living in slum areas. This grim situation is a challenge to the High-level Dialogue and calls for urgent measures to accelerate the implementation of the Monterrey Consensus for the achievement of the Millennium Development Goals.

The Monterrey Consensus was concerned with mobilizing international and domestic resources, as well as institutional reforms, for the achievement of the Millennium Development Goals. We believe that the 0.7 per cent figure of the gross national product (GNP) of the industrialized countries targeted as ODA is an indispensable source of development finance and should be fulfilled. We are encouraged by statements we have heard from some members from the developed countries. We recognize, however, that developing countries also have a role to play in mobilizing resources of their own and implementing policies that are investor-friendly and promote good governance.

We support the recent efforts aimed at releasing resources for development in the developing countries, such as debt relief and creating an environment for access on the part of goods produced in developing countries to developed countries' markets. We appreciate the efforts of European Union member States that have met the ODA target of 0.7 per cent of GNP and those that have set timetables to that end. We

also support other innovative financing ideas for "frontloading" ODA, in particular the International Financing Facility proposed by the United Kingdom.

Achieving the Millennium Development Goals will remain a collaborative effort between developed and developing countries. To this end, Botswana has taken it upon itself to implement measures to ensure the necessary internal conditions for mobilizing resources, sustaining adequate levels of productive investment and increasing human capacity. Botswana has put in place a number of strategies as part of the ninth National Development Plan for 2003-2009, and National Vision 2016 aimed at improving good governance, sound macroeconomic policies and creating a conducive environment for private sector investment.

In this regard, we in Botswana had to reform our tax system in 2002 by introducing a value-added tax. Furthermore, cost recovery and cost sharing in the provision of services in all sectors of the economy were introduced to promote effective utilization of resources as a means of increasing the domestic revenue base. On institutional reforms, an autonomous revenue service was established by merging the functions of the former Departments of Taxes and Customs and Excise. In addition, a unit was established within the Ministry of Finance and Development Planning to give undivided attention to cost recovery and cost saving in the public sector. As a result of these efforts, Botswana is funding over 90 per cent of its budget from domestic resources.

The Monterrey Consensus expects the developing countries to pursue sound macroeconomic policies and liberalize their economies in order to promote the private sector. To this end, Botswana has put in place fiscal and monetary policies that focus on promoting economic growth and low inflation. We have abolished foreign exchange controls and maintained policies aimed at zero tolerance for corruption; high credit rating; low taxes and maintenance of a stable real effective exchange rate to ensure competition in the global market.

It is vital that we make real progress on the Doha Development Round. While one appreciates pledges for more aid and the recent declarations for debt write-offs, more than anything else developing countries need market access for their products. Unless industrialized countries take bold political steps to abolish trade subsidies, especially in agricultural products, and to remove protectionism, declarations about fighting poverty will largely remain a dream. It has been shown that countries that can sell their goods and services in the international market stand a better chance of raising enough revenue to pay their debts and address developmental challenges, such as poverty and disease. Countries with improving terms of trade will be able to strengthen their economies and deal with poverty.

In conclusion, as I have said earlier, Botswana has taken steps to implement and follow up on the Monterrey Consensus. We have long recognized that sound policies and good governance are necessary conditions to attract development assistance and private investment. Despite all these efforts, my country remains somewhat disadvantaged, because it is deemed to be a middle-income country. This High-Level Dialogue should come up with special recommendations on how to assist the middle-income countries, such as Botswana, which still have to consolidate their economic gains. Ignoring this category of countries before their economies are firmly rooted could reverse some or all of the developmental gains achieved to date.

The President (*spoke in French*): I now give the floor to Her Excellency Ms. Hilde Johnson, the Norwegian Minister for International Development.

Ms. Johnson (Norway): Five years ago, the world community made a promise to the world's poor. Ten years from now, they will hold us to our word.

Today, we are meeting to confirm our resolve to reach the Millennium Development Goals before the deadline. The clock is ticking. A third of the time we have set ourselves has gone, but we are not a third of the way there. The Millennium Development Goals can and must be met; but they will not be met unless all of us, donors and developing countries alike, improve on our past performance. We need to do more and do it better and faster.

We know what is needed in order to follow the road map from Monterrey. The Monterrey Consensus was not an optional to-do list from which we could choose what is easy and ignore what is difficult — and still expect results. All of us, donors and developing countries alike, need to deliver in all areas of the agreement — now. We know we need to work better, more closely and more efficiently. We agreed on this in

Monterrey, but our actions have not yet matched our words.

We need reform in four key areas. First, we need to reform our international framework conditions. Trade and market access, investment and debt must be addressed. We must all be willing to help develop a level playing field.

Secondly, as regards donor reform, we need more and better aid. The Paris Declaration on aid effectiveness, with its commitments, timetables and targets, is now the benchmark instrument in shifting from the donor circus of the past to a country-owned, country-led development process. It should be endorsed in the summit declaration, and United Nations development actors should act upon it. We are acting too, now moving to multiyear commitments in our bilateral aid and in our aid to the reform of United Nations agencies.

Thirdly, we need governance reform in the developing countries. Development starts from the inside. Lasting development in any country requires responsible and transparent governance, including a strong and persistent focus on anti-corruption efforts.

Fourthly, we need to mobilize the private sector and civil society. One creates jobs and economic growth; the other empowers the poor. Both are key to fighting poverty.

We know that all of that is essential, yet we are dragging our feet. If we lack the will to reform the way in which we work, the Millennium Development Goals will end up being little more than wishful thinking. They will join all the other well-intended initiatives in the graveyard of broken promises to the poor, and our generation will have failed its most important test.

We cannot let that happen. At Gleneagles and at the United Nations summit, world leaders must renew their commitment to all parts of the Monterrey road map. We know what is needed: more aid. Recent events offer reason for optimism. The European Union has promised increases in official development assistance (ODA) leading to a doubling of aid from 2004 to 2010. That is a considerable step towards ODA that is sufficient for the Millennium Development Goals and is predictable. Timetables for the achievement of 0.7 per cent of gross national income by all donors and delivering on those timetables will help us complete the job. We have a timetable for 1 per cent. We now look to the Gleneagles participants and urge them to follow suit.

We need more debt relief. The Group of Eight (G-8) has led the way; let us continue the good work. The world community must provide immediate relief, multilaterally and bilaterally. Many poor countries still see their fledgling development efforts crushed by the debt burden — a burden that could ultimately stand in the way of the Millennium Development Goals. Norway is ready to participate in further debt relief in concert with the G-8 and other donors.

But who will pay the bill? That will be the test of our efforts. It is a collective responsibility to ensure that debt is not written off by using existing aid budgets, but comes additional. We need fresh money. Recycling is a good thing, but not when it comes to ODA. New initiatives must mean new money. Norway welcomes new and innovative financing mechanisms. But we do so only as long as such funds, now or in the future, come on top of — and not instead or at the expense of — increased ODA.

We need to make sure that development lasts, that developing countries take responsibility for their own development and that they have the domestic capacity needed to translate temporary assistance into permanent progress. We know that capacity remains a major obstacle, particularly in the poorest countries. That must be addressed in tandem with our efforts to increase the flow of ODA and to deliver on market access.

We know what needs to be done in order to reach the Millennium Development Goals by 2015. We have the road map and the resources. Let us renew and strengthen our resolve and make sure that we deliver the results — at Gleneagles next month, at the United Nations summit this fall and, most importantly, on deadline in 2015.

The President (*spoke in French*): I now call on Her Excellency Ms. Sri Mulyani Indrawati, Minister for National Development Planning of Indonesia.

Ms. Indrawati (Indonesia): Indonesia recognizes the significance of today's discussion in our pursuit concrete implementation of the Monterrey Consensus. The Consensus is a unique international agreement that serves as a turning point to reverse the downward trends in official development assistance (ODA) and to promote international cooperation and partnership to

mobilize resources, both domestically and internationally, through international trade, foreign direct investment and the mobilization of innovative financing.

To implement the Monterrey Consensus, much more needs to be done. Developing countries, for their part, have been struggling to undertake measures to build strong institutions based on good governance while also trying to accelerate their development of, and investment in, the hard infrastructure and human capital necessary for sustaining development and eradicating poverty. Developing an integrated national strategy to eradicate poverty is critical for the success of those concerted efforts domestically, but it is not sufficient unless bolstered with consistent and adequate international support.

Indonesia is one of the developing countries that have undertaken those concerted efforts. Recently Indonesia has experienced major challenges in the economic, social and political arenas, ranging from the economic and financial crisis in 1997-98 — which was accompanied by a fundamental political, legal and social transformation — to the recent tsunami tragedy and its aftermath. Despite those constraints and difficulties, the first successful direct election in our nation's history was held, which has laid a solid foundation for addressing the challenges we face. Our young but robust democratic system has become an asset and a source of our strength as we build a safe, peaceful and prosperous nation.

Several important and good policies have been established and continue to be implemented. Our stable macro-economic conditions, with a modest inflation rate and flexible exchange rates to sustain our competitiveness, have become an important anchor for the upward trend of our economic growth. This year's economic growth is expected to reach 6 per cent despite high and rising oil prices, with investment and export as the engines of growth. Recently, we adopted a painful policy aimed at reducing fuel subsidies in order to increase our spending on education, health and basic rural infrastructure. We are ready to put into effect all difficult policies necessary to ensure robust and sustainable economic growth.

The major thrust of our economic policy is to strengthen our macro-economic fundamentals and to deepen our structural reform to improve our public institutions on the basis of good governance and upholding of the law. We are developing a more open regulatory framework for investment and are promoting a policy of good corporate governance. We are committed to making investment in Indonesia an excellent value for the money. Our anti-corruption efforts have begun and early successes have been achieved, as reflected in the substantial increase in investigations and successful court cases. Our target for the next five years is to reduce the poverty rate from 16.6 per cent in 2004 to 8.2 per cent, and we aim to cut unemployment by half by 2009.

Consistent with those efforts, the Government has mobilized financial resources that will be accessible to millions of potential micro-entrepreneurs. Indonesia has also walked an extra mile by initiating, with South Africa, a path of intercontinental partnership to address common problems and promote practical cooperation among Asian and African nations. The new Asian-African Strategic Partnership was adopted at the Asian-African Summit, held in Jakarta on 22 and 23 April 2005, to promote concerted efforts to alleviate poverty, to manage the challenges of globalization and to address emerging issues of common concern.

In that context, the implementation of the Monterrey Consensus on Financing for Development is an extremely important element in achieving those noble goals. While the main responsibility for mobilizing adequate resources for development lies with each country, it should be noted that for many developing countries with limited fiscal capacity, the role of external financing is indispensable.

While developing countries have been relentlessly seeking to build fiscal strength by mobilizing more local resources for development, the international community has not always been quick to respond to those efforts in a favourable and timely fashion. Even when momentum and the ownership of reform are strong in a developing country, in most cases support from the international community is either unavailable or inadequate.

Indonesia therefore not only supports the international call for increased ODA, deeper debt forgiveness and the elimination of systemic inequities but also supports developing a reliable international system for adequately and reliably helping those developing countries that display strong momentum and ownership of the reform process to eradicate poverty and sustain development.

It is Indonesia's view that ODA provision should not be allowed to drop below existing levels and that developed countries that have not yet done so should set firm timetables to meet their commitments in the near future.

To achieve better and sustainable results, mutual agreement between donors and recipients is a must. That agreement should address what constitutes best practice policies and what acceptable governance structures and institutions qualify a country for receiving increased ODA. We strongly urge donor countries to coordinate their aid and ODA policies and procedures by simplifying and streamlining them in order to enhance the efficiency and the effectiveness with which those transactions are conducted.

Along with those various sources of development funding, deeper debt relief should be granted to least developed countries and even to some financially handicapped middle-income countries. While Indonesia welcomes the decision of the Group of Eight to grant significant relief to 18 heavily indebted poor countries, the fact is that persistent high indebtedness continues to hinder the development of most least developed countries. They need substantial relief as quickly as possible to allow them to move towards achieving the Millennium Development Goals.

Like meaningful debt relief, the expansion of free and fair international trade remains on the list of outstanding Monterrey Consensus goals to be achieved. We support the fulfilment of the Doha development round timeline by the end of 2005.

Moreover, until the macro-economic imbalances of developed countries are corrected constructively and until developing countries can decisively affect the norm-setting and decision-making processes of multilateral trade and financial institutions, the world will be deprived of an adequate, effective mechanism to achieve the noble goal of eradicating poverty.

To conclude, Indonesia wishes to acknowledge the importance and the value of this High-level Dialogue for forming a common vision and strategy for moving forward in implementing the Monterrey Consensus. I hope that we can, as part of our preparation for the summit in September, strengthen the consensus to mobilize financial resources and promote the attainment of goals, including the Millennium Development Goals.

The President (*spoke in French*): I now give the floor to His Excellency the Honourable Motee Ramdass, Minister of Commerce and Consumer Protection of the Republic of Mauritius.

Mr. Ramdass (Mauritius): My delegation appreciates the opportunity to participate in the High-level Dialogue on Financing for Development. This meeting is timely as we head towards the September 2005 High-level Plenary Meeting. We are hopeful that this High-level Dialogue will provide critical input for decisive action by our Heads of State and Government to effectively implement the internationally agreed development goals. At the outset, let me state that my delegation aligns itself with the statement made by Foreign Minister Delano Franklyn of the Republic of Jamaica on behalf of the Group of 77.

The 2002 Monterrey Consensus was a landmark global agreement between the developed and the developing countries in which both recognized their responsibilities in key areas such as trade, aid, debt relief and official development assistance. However, while the developing world had grounds for enthusiasm at the various degrees of commitment, I wish to note that three years after Monterrey, there is not much to feel exulted about.

Commitments to increase financial flows and official development assistance (ODA) have been repeated, but the actual realization of those commitments has yet to materialize at the desired level. That said, we remain hopeful that the international community, in particular the Group of Eight at its Gleneagles summit next week, will find appropriate ways and means to increase the level of financial flows for development, especially for those countries that need them most.

I come from a continent that continues to lag behind in all areas of development. Africa is at the epicentre of the crisis and continues to be entangled in the vicious circle of the poverty trap, with a rise in extreme poverty, high child and maternal mortality rates and poor access to safe drinking water. The incidence of HIV/AIDS, tuberculosis, malaria and other infectious diseases is destroying lives and livelihoods and is taking a huge toll on our citizens. This current state of affairs is depriving the continent of human capital much needed for sustained growth prospects. The thousands of deaths that occur daily in Africa are deaths that could be easily avoided if only

the international community would genuinely honour its commitments. Without sustained support, there is little hope that Africa will be able to break out of the poverty trap.

With regard to poverty eradication in my country, the Government has, over the past five years, initiated bold action aimed at the integration of the most vulnerable sectors into the mainstream of Mauritian society. We have set up a trust fund for the social integration of vulnerable people, who have been provided access to better housing and health and sanitation facilities. In addition, various programmes such as the "A nou diboute ensam" programme — literally translated as "let us stand together" — are operational and aim, among other things, at the economic empowerment of women.

The importance of the relationship among development, trade and the integration of developing countries in the global economy has also been recognized at major international conferences. We cannot have a system of rules that apply equally to unequal partners, or a system that fails to take into account disparities in the levels of development, the unequal distribution of natural resources or comparative and competitive inequalities. International trade can be an engine for development only if existing disparities are duly taken into account and if specific concerns are adequately addressed.

From the perspective of a small island developing country such as Mauritius, which is not endowed with raw materials or natural resources, and whose growth prospects are limited due to many factors including the small size of its domestic market and its limited capital endowment, the only credible development option lies in outward, export-led strategies. Participation in international trade is therefore an inevitable option. However, it is crucial to recognize that we cannot compete on equal terms with the developing countries, which are endowed with natural resources and are more technologically advanced and therefore more competitive. Competition with developed countries is not even a remote possibility. How, then, can the small island developing States secure a share in international trade commensurate with their needs? The only option is to provide them with favourable market access conditions and allow them to maintain a certain level of export competitiveness by according them appropriate special and differential treatment. That would enable them to benefit from globalization and ensure that trade effectively contributes to their development efforts.

We should also remain alive to the fact that open markets alone are not sufficient. Generous market access conditions in the absence of the capacity to produce would be meaningless. Small island developing States are confronted with acute capacity constraints which limit their ability to participate in international trade. If trade is to be the engine of growth, it is imperative that the problem of supply capacity also be addressed as a matter of priority. The concerted efforts of the international institutions are crucial in that respect.

As regards external debt, I wish to note that the Heavily Indebted Poor Countries Debt Initiative has met with a mitigated assessment. Whilst appreciating the proposal for a redefinition of debt sustainability that would mean a level of debt for a country that allows it to achieve its national development goals, including the Millennium Development Goals, without increasing its debt ratios, my delegation looks forward to further action towards the adoption of an effective, comprehensive, durable and equitable development-oriented approach to the debt problems of poor, low-income and middle-income countries.

I should here welcome the recent move aimed at cancelling the debt of 18 highly indebted poor countries. While that is a welcome development, it is the view of my delegation that the process of debt cancellation should be accelerated and linked to the provision of additional resources to accelerate the implementation of our development agenda.

Finally, let me reiterate the need for strong political will from Member States to implement the commitments we make, for all too often, commitments made in the past have not been totally honoured. In that context, my delegation fully supports the convening of a summit in 2007 to review the progress attained in the implementation of the commitments made at Monterrey.

We have to take bold, concrete and decisive measures to make this world a better place. Let us move from words to action.

The President (*spoke in French*): I call on His Excellency Mr. Thierry Breton, Minister of Economy and Finance of France.

Mr. Breton (France) (*spoke in French*): In September, leaders from the entire world will meet here to evaluate the progress of development since the adoption of the Millennium Declaration in 2000.

Although there are some reasons for hope, such as a significant decrease in the proportion of people living in extreme poverty in the world, the challenges obviously remain formidable. Without a strong commitment, the Millennium Development Goals will not be reached by 2015. To cite but one example, the AIDS pandemic, which kills 3 million people a year, continues to spread and currently infects nearly 40 million people in the world. Today, life expectancy at birth has dropped below 40 years in nine African countries.

Faced with such a prospect, should we throw in the towel even though unequal distribution of the fruits of development on this scale is clearly unviable? Should the shared conclusion that each country is primarily responsible for its own development drive us to inactivity?

I definitely do not think so. On the contrary, we must immediately move up a notch, shift into higher gear and examine the available options to make sure that everybody genuinely benefits from growth and globalization. Growth of trade is undeniably a very powerful engine of development. In that area, France intends to make sure that the Doha negotiations fully factor in the needs of the developing countries. It will particularly endeavour to ensure that the particular concerns of the least developed countries, especially in Africa, are correctly treated.

France and its European partners have already made considerable efforts to reduce export subsidies and have launched the "Everything But Arms" initiative for the least developed countries. We will continue to assume full responsibility in the years ahead and want all stakeholders to contribute their stone to the edifice in order to make sure that everybody benefits from the multilateral trade system. We particularly want all developed countries and the emerging countries to grant the least developed countries duty- and quota-free access for their exports.

While absolutely necessary, it is however clear that a trade regime benefiting poor countries is not enough. Last week, the G-8 finance ministers, including myself, reached an agreement to forgive the multilateral debt of the heavily indebted poor countries to the international financial institutions. As in 1996, when the Heavily Indebted Poor Countries Debt Initiative was launched, France played a crucial role in the conclusion of that agreement.

We particularly stressed the need to finance those measures with additional resources in order to preserve the International Monetary Fund's commitment capacity towards poor countries and to maintain the intervention capacity of the World Bank and the African Development Bank. Only thus can that agreement be fully beneficial to the poorest countries. France will strive to ensure that this spirit is preserved.

That said, however desirable it may be to forgive the debt of the poorest and the most indebted countries, forgiveness cannot be the main lever of development finance. That is why France wants the September summit to be an opportunity to increase both the volume and the quality of official development assistance. I welcome the collective commitment of the European Union member States to boost official development assistance to 0.56 per cent of gross national income by 2010, representing an increase of more than €30 billion. France is determined to raise its own official development assistance to 0.5 per cent by 2007 and to 0.7 per cent by 2012, including 0.15 per cent for the least developed countries, pursuant to United Nations recommendations.

We will also make sure that two thirds of our bilateral assistance continues to go to Africa, the priority zone on which all efforts need to be focused. Lastly, further to the Paris Declaration on Aid Effectiveness adopted in March, France will be very keen to ensure that the progress indicators for harmonization, managing for results and alignment are adequate.

Clearly, much remains to be done in the area of official development assistance, but who can be blind to the fact that the Millennium Development Goals remain highly uncertain even with a significant improvement of the level and quality of official development assistance from next year onwards?

The representatives of the developing countries who are here today are fully aware that this assistance is excessively volatile, always uncertain and frequently called into question when rich countries experience budgetary difficulties. Unless stable long-term finance is provided, some development projects with high

recurrent costs — especially in the area of education and health — cannot be completed successfully.

Moreover, everybody agrees that the magnitude of the issues makes it wholly justifiable and necessary for well-off people in all countries — not only in the richest countries — to participate in the shared effort, even if individual levies will obviously have to be adjusted to the contribution capacity of the individuals and countries in question. We therefore need new sources of financing to provide additional resources that are more stable and predictable. Such resources are essential to finance long-term strategies, which are the basis for true development.

The work carried out by numerous bodies in the last 18 months has revealed that technically feasible and economically realistic solutions exist. Several key options have been expanded upon by the group composed of Algeria, Brazil, Chile, Germany, Spain and France. On that basis, we are now seeing a genuine international mobilization, which originated here at the United Nations last September, to include this issue among the necessary tools to finance development.

France is convinced that international solidarity levies are one of the most promising avenues for developing countries and for the international aid architecture. In that context, and in order to act quickly and to show that this can work, we join with Germany, Brazil and Chile in calling for the speedy establishment of a pilot project of solidarity levies based on airline tickets. In order to ensure a fair mechanism for this, the level of levy could differentiate among different classes of travel or even among countries' levels of wealth. A distinction could also be made between domestic and international flights.

Proceeds would be allocated through existing institutions to avoid needless bureaucracy. While respecting the sovereignty of each participating State, those funds could finance the most urgent human development programmes, such as vaccination campaigns or the pooled purchase of AIDS treatments. For purely illustrative purposes, if all countries were to participate, a levy of €5 per passenger, with a surcharge of, for example, €20 for business class, would generate about €10 billion annually, which is almost one quarter of the estimated funding shortfall for the Millennium Development Goals.

Why are we targeting the air sector in particular?

First, because — the temporary difficulties of certain airlines aside — this is a sector that benefits considerably from the globalization of trade and, moreover, is lightly taxed. With expected growth of about 5 per cent per year over the next decade, a fixed low-rate levy coupled with exemption for passengers in transit will not handicap airlines, even if not every country joins the initiative at first.

Secondly, air passengers are rarely among the poorest citizens of each country. That is consistent with our desire to establish a global solidarity mechanism.

Lastly, the practical and legal feasibility of a solidarity levy on airline tickets has been proven. Some countries, such as the United Kingdom, are already charging a levy of this kind.

Just one year ago the very idea of an international levy was taboo and considered inappropriate. Today, many international forums — the United Nations, the International Monetary Fund, the World Bank, the G-8 and the European Union — have take up this issue. Many countries in both North and South already support us, while others are planning to do so soon. France invites as many countries as possible to support, between now and the September summit, the establishment of a solidarity levy based on airline tickets.

This year we have a unique opportunity to affirm the reality of our global partnership for development, which is one of the objectives of the Millennium Development Goals. Aware of the need to grasp this opportunity, France will use every means at its disposal so that previously ignored solutions can be implemented. It intends to remain true to its stated principles and to its ambition to ensure that solidarity spreads throughout the world by advocating a realistic, generous instrument to provide the poorest countries with more effective assistance.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Mohamed Nouri Jouini, Minister of Development and International Cooperation of Tunisia.

Mr. Jouini (Tunisia) (*spoke in French*): I would first like to congratulate you, Mr. President, and through you all Member States for organizing this High-level Dialogue, which is a major event leading up to the summit in September 2005.

The delegation of Tunisia associates itself with the statement made this morning by the Minister of State from the Ministry of Foreign Affairs of Jamaica on behalf of the Group of 77 and China. We would like to add the following comments.

We are all aware that no development is possible without financing and that the external financing available to developing countries is always inadequate and can only complement national efforts. Thus it is necessary to put in place the policies that can mobilize public and private national savings, whether at home or abroad. That entails in particular involving all citizens in working out a country's basic choices, strengthening market mechanisms, integrating into the world economy and recognizing the unbreakable link between the economic and social aspects of development.

If developing countries are to apply with determination adjustment programmes and economic reforms that are particularly helpful to developing the private sector, then proper public administration and macroeconomic stability that are to a large extent based on national consensus require that international financial support be provided to countries that are successful in voluntarily applying political and economic reforms. Those countries must be encouraged to continue down the road of reform and must not be penalized by a reduction in or elimination of official development assistance. It is in the interests of all that economic development be diffused and that social progress be widespread.

It is for that reason that the support of the international community to middle-income countries must continue. That could take the form of concessionary credits and the recycling of debt servicing to assist with environmental protection projects and to combat desertification, reduce poverty and develop human resources in order that there may be equitable development shared between regions and generations. It could also take the form of investment-guarantee and risk-sharing mechanisms to encourage foreign direct investment in a country.

Official development assistance plays an essential role in countries that are unable to mobilize sufficient public financing. It is essential to supporting education, health and rural development programmes. It is also of paramount importance to the achievement of the Millennium Development Goals. Official development assistance to those countries must therefore be increased, in accordance with the goals repeatedly set out at international conferences. That assistance could also be supplemented by new and innovative sources of financing. Many ideas have been put forward, and they should be expanded upon.

Nevertheless, the General Assembly has already adopted a resolution, at its fifty-sixth session, establishing the World Solidarity Fund. That Fund, which is based on the concept of solidarity, is to be financed through voluntary contributions from Governments, the private sector and civil society. It is now time for the Fund to become operational, so that it can carry out its noble mission of combating poverty.

Since the holding of the Monterrey Conference, two forums have been held, at Rome and Paris, to discuss ways and means of enhancing the effectiveness of aid. We favour the harmonization of the procedures and modalities for the granting, management and follow-up of aid by bilateral and multilateral partners. We also favour aligning debt with the goals of national development strategies. But we also favour differentiated treatment in development aid in order to take into account the capacity of recipient countries to absorb that aid and good management of the economy. Countries that have a clear development strategy, an effective system for handling aid and transparent procedures for bidding, monitoring and auditing should not have specific procedures imposed on them by donors. Their budgets should be supplemented by external assistance so that they can finance the projects and programmes on which they have agreed. Tunisia is ready to share its experience in the area of handling assistance and make its contribution to our thinking about how to mobilize and effectively utilize the financial resources that are available and how to involve the private sector, which is the main engine of growth.

A universal multilateral trading system that is non-discriminatory and equitable and designed as a tool for giving developing countries access to markets, technology and modern management systems could lead to greater and more equitable global growth. International trade is a true catalyst for poverty reductions, as many countries can attest. Poverty is not merely a lack of financial resources, it is also a lack of opportunity, of capacity and of possibility.

Thus the international community, acting within the context of negotiations currently under way within

the World Trade Organization, must ensure that trade can fully play its part in promoting economic growth and social progress by enabling the developing countries to take full advantage of international trade in goods and services and by promoting the implementation of provisions relating to special and differentiated treatment for developing countries.

In November 2005, Tunisia will host the second phase of the World Summit on the Information Society. This will be a historic event that will encourage research in information and communications technologies. The conference will, we hope, offer new prospects for international cooperation between the countries of the North and those of the South. Tunisia, which is working to ensure that the meeting is a great success, hopes that we will be able to arrive at a common approach to the information society, taking account of diversity, and to adopt a plan of action that enables all countries, particularly developing countries, to benefit from the digital revolution, which will certainly help them in their development efforts.

The President (*spoke in French*): I give the floor to His Excellency Mr. Andrew Natsios, Administrator of the Agency for International Development of the United States of America.

Mr. Natsios (United States of America): Today, three years after the United Nations Conference on Financing for Development, its outcome — the Monterrey Consensus — has become the definitive framework for successful development. Developing countries and donors alike have embraced its emphasis on good governance and domestic ownership of development strategies, while trade and private investment are widely recognized as being essential.

In setting out the principles of the New Partnership for Africa's Development (NEPAD), African leaders are linking poverty eradication, sustainable growth, global economic integration and good governance. We in the United States Government are enthusiastic supporters of NEPAD and are providing support for the initiative.

For its part, the United States has increased official development assistance (ODA) even beyond President Bush's Monterrey pledge that we would increase our assistance by 50 per cent. United States assistance has gone from $10 billion in 2000 to $19 billion in 2004 — a quarter of the entire Organization for Economic Cooperation and Development total.

However, those ODA increases must be matched by increases in effectiveness and sustainability. Achieving the goals of the Millennium Declaration is not just about the mobilization of resources. Countries that have proved their commitment to change and reform, govern justly, invest in their own people and maintain policies and institutions that support market-led growth, will receive billions of dollars from the Millennium Challenge Corporation of the United States Government in coming years.

Too often, humanitarian relief has been separated from development and from the achievement of the goals of the Millennium Declaration, as though they were not related to each other. In Africa, which has more fragile or vulnerable States than any other region, we must respond to the current food emergency, otherwise those countries will be destined to further instability and the achievement of their development goals will be even more difficult.

In order to help States in crisis and in conflict to return to stability and get on the path to sustained growth, President Bush recently announced that we will provide an additional $674 million for humanitarian emergencies in Africa this year, in partnership with the United Kingdom, beyond the $1.4 billion that we have already committed.

By joining with socially responsible private-sector partners in our global development alliance, since 2002 the United States Agency for International Development has invested $1 billion in public-private partnerships — 290 of them — in 98 countries, and thus leveraged more than $3.7 billion in total partner resources.

As a founder of and the largest donor to the Global Fund to Fight AIDS, Tuberculosis and Malaria, the United States Government provided $459 million to the Fund in 2004. The United States contribution for HIV/AIDS programmes totalled more than $2.8 billion in the current fiscal year. In addition, we provide approximately $500 million annually for voluntary family planning and maternal health in 60 countries.

Without sustained high rates of economic growth in developing countries, the achievement of the Millennium Development Goals will be put at risk. The United States leads the world in liberalizing trade and helping countries to participate in negotiations, obtain commitments and benefit from trade. The completion of the Doha Round, to which the United States is

committed, could add $200 billion annually to developing countries' income and lift more than 500 million people out of poverty.

The United States and other Group of Eight (G-8) countries have called for a 100 per cent cancellation of debt obligations owed to the World Bank, the African Development Bank and the International Monetary Fund, which will result in approximately $40 billion in immediate debt relief — and could reach more than $56 billion if all heavily indebted poor countries become eligible.

We recognize that the volume of aid and other development resources must increase significantly. But if we are to continue the recent increases in ODA and ensure that the goals of the Millennium Declaration are achieved, we must also ensure aid effectiveness, sustainability and results.

There is ample evidence that ODA is not usually the limiting factor with regard to national development. Development progress is, first and foremost, a function of country commitment and political will to rule justly, promote economic freedom and invest in people.

The report of the United Nations Commission on the Private Sector and Development estimates that developing countries have $9.4 trillion in private financial assets that cannot be fully mobilized for development, largely because of corruption and inadequate legal protections for property and contracts.

Competitive, well-regulated private markets are indispensable because they are the most effective institution ever devised for allocating resources efficiently, for fostering innovation and for communicating information that helps consumers and producers make decisions.

Regulatory frameworks should aim to build the public's confidence in private markets, protect property, enforce contracts and respect the rule of law. According to a World Bank study, in one developing country it takes 203 days to register a business, while in another, enforcing a contract takes 1,459 days, on average. With such barriers to business formation and entrepreneurship, businesses remain small and informal. There is no point in debating whether ODA should be $68 billion or $100 billion or $195 billion when the most basic policies for generating wealth are not in place.

A significant way in which the United Nations can support development is by helping countries to make and implement the right choices in governing well. The United Nations is well placed to offer such assistance, for example through providing a forum for South-South peer reviews and showcasing progress on nations' efforts to strengthen the rule of law, end corruption, strengthen the financial sector, attract businesses to the formal sector and open up trade. Policy reforms such as these should be at the heart of United Nations development activities.

Ending poverty is a serious challenge. Building effective and equitable economic institutions takes time, persistence and reform. Policies must be put in place to safeguard the most vulnerable members of society. The good news is that many countries have already blazed a trail and that the United States and the international community will help those who are prepared to help themselves. With the right choices, we have a good chance of reaching the goals we set for ourselves at Monterrey and in the Millennium Declaration.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Errol Cort, Minister of Finance and Economy of Antigua and Barbuda.

Mr. Cort (Antigua and Barbuda): I am pleased to be able to address the Assembly on the occasion of the second High-level Dialogue on Financing for Development. Three years after heads of State and ministers gathered in Monterrey and five years after the world summit that led to the Millennium Declaration, the international community is at a point suitable for serious review of progress made in mobilizing financial resources for development purposes, as well as for a detailed assessment of how to proceed with accomplishing the tasks set before us. It is in this context that I address you today on behalf of the Government and people of Antigua and Barbuda and take solace in knowing that even the smallest of United Nations Member States are active participants in the decision-making processes at the international level.

As Minister of Finance and Economy, I am confronted on a daily basis with the challenges of pursuing economic growth and prosperity in accordance with the aspirations of those on whose behalf I address you. In order to meet these aspirations and to achieve the goals we have set, it is imperative

that we keep the spirit of international partnership alive. In the report of the Secretary-General on the follow-up to and implementation of the outcome of the International Conference on Financing for Development, developing countries are encouraged to adopt bold national development strategies. That is one step; the next step is implementation of those strategies and plans, and this is where international partnerships become crucial.

As we consider the status of implementation of the Monterrey Consensus, there are three aspects of the Consensus to which I would like to speak, in accordance with the national priorities of the Government and people of Antigua and Barbuda. These are external debt, trade, and mobilizing international financial resources for development, particularly foreign direct investment.

On the issue of external debt, I note with interest the proposals for more progress in reducing the unsustainable debt burden of heavily indebted developing countries, as contained in the Secretary-General's report (A/59/822). The report states in paragraph 36 that "For many heavily indebted non-HIPC and middle-income countries, debt sustainability will require significantly more debt reduction than has yet been proposed".

Indeed, my Government had come to this realization well before this report. When my Government took office in 2004, we inherited a national debt that was in excess of 125 per cent of gross domestic product (GDP). We immediately set out to review and upgrade the country's debt profile and embarked on an aggressive strategy to reduce the country's debt burden to a sustainable level, in full recognition that an unsustainable debt burden would negate the country's national development plan. To this end, we have begun an ambitious debt re-negotiating and re-scheduling process that has to date yielded fairly positive results.

I would like to build on the Secretary-General's proposal and recommend a partnership initiative between heavily indebted small States and developed countries, to include major creditors, that specifically identifies the reduction of unsustainable debt as the target. I would further recommend that this initiative become part of the international community's agenda for financing development. The Secretary-General's report further states that proposals will be considered for further multilateral debt relief and its financing options, including the possible use of resources of the International Monetary Fund. I look forward to such proposals in anticipation that they will be instrumental in achieving greater success in debt relief.

Mr. President, allow me also to use this forum to implore Member States that are major creditors to small developing States to work more closely with us, on a bilateral and subregional basis and in the spirit of the Monterrey Consensus, to reduce the unsustainable debt burdens that hinder economic growth and development. Here I would underscore the point made in paragraph 40 of the Secretary-General's report that "it is important to recognize the contribution that efficient and equitable burden-sharing between debtors and creditors can make to alleviating unsustainable debt burdens".

With respect to trade, as a small developing State we have had to struggle tremendously against competition in a global trading system. I cannot emphasize enough the importance of a pro-development global trading system that adequately addresses asymmetries between developed and developing countries, as well as asymmetries among developing countries. As small States in a global trading system, we face grave challenges that have forced us to look to innovative ways of diversifying our exports. Yet as we diversify our economy into service-oriented sectors, we once again face a new set of challenges from developed countries, challenges that make it extremely difficult for us to advance development by expanding into the international business sector.

I would like to implore the more affluent countries to recognize, in a spirit of partnership, that the options available to us as small and highly vulnerable States in a globalized trading regime are minimal. Yet unfair barriers in developed countries often prevent us from taking full advantage of opportunities in the international service sector, which in turn denies many of our young people ready access to gainful employment. This is contrary to the spirit of international cooperation for development, and it reduces the development potential of the global trading system.

Finally, on the issue relating to mobilizing international financial resources, Antigua and Barbuda considers foreign direct investment to be an important

component for successful economic growth strategies. We have taken a number of initiatives to create an enabling environment conducive to attracting foreign direct investment. Further, we are seeking to implement a set of policies to increase the positive impact of foreign direct investment on our national development goals. They include work on the development of a national strategic development plan detailing the Government's economic programmes for the period 2005-2010, the establishment of an investment authority to promote and facilitate foreign direct investment, and an enhanced financial services regulatory commission to effectively monitor and regulate our international financial services sector.

Antigua and Barbuda is a committed partner. We are willing and prepared to play our part in the global development process, notwithstanding our severe financial and other constraints. But we cannot do it alone. I therefore urge greater progress in promoting the sort of international cooperation that is necessary to manage the risks that can deter investors from bringing much-needed capital, technology and jobs to where they are most needed. I welcome the proposals contained in the Secretary-General's report (A/59/826) to introduce mechanisms to better manage and mitigate investment risk and to encourage and facilitate contributions by transnational corporations to development.

In conclusion, let me reaffirm the importance of frank and open dialogue — such as this — to small countries like mine, which are thrust into a global economy while grappling with domestic challenges such as high levels of debt, chronic fiscal imbalances and limited natural resources. We cannot risk failure to accomplish the tasks ahead, nor can we risk losing the momentum to mobilize financial resources for development that came out of Monterrey, lest we fail the people we are here to represent.

The President (*spoke in French*): I now call on His Excellency Mr. Nguyen Sinh Hung, Minister of Finance of Viet Nam.

Mr. Nguyen Sinh Hung (Viet Nam) (*spoke in Vietnamese; English text provided by the delegation*): I am very honoured to attend the High-level Dialogue on Financing for Development as representative of the Government of the Socialist Republic of Viet Nam. The Dialogue provides us with an excellent forum for reviewing the implementation of the Monterrey Consensus, sharing each country's experience in that regard and discussing ways in which to strengthen the global partnership for development and to promote poverty reduction efforts and the implementation of the Millennium Development Goals in order to build an open and fair world for mankind.

Over the past two decades, Viet Nam has made great efforts to transform its economy into a market-based system; to mobilize to the greatest possible extent its domestic resources and the participation of all economic sectors, which have been growing and diversifying; to open our economy to trade and create an attractive environment for domestic and foreign investment, particularly foreign direct investment and official development assistance; and to develop the economy while maintaining political stability, duly addressing social issues and promoting environmental protection and human development in order to build a society of equality, solidarity, sharing and mutual support.

Over the past five years, Viet Nam's gross domestic product (GDP) increased on average 7.5 per cent per year, total investment reached 36.5 per cent of GDP and exports increased by 16 per cent per year. Viet Nam attained strong and positive results in poverty reduction by cutting the percentage of poor households by more than half, from 58 per cent in 1993 to 24 per cent in 2004. By the end of 2000, we achieved universal primary education. Fifty per cent of the country's provinces have now achieved universal junior secondary education, and we have made progress towards universal senior secondary education. Viet Nam has also recorded significant achievements in promoting gender equity, providing free health care for children, improving reproductive health, preventing HIV/AIDS and other epidemic diseases, protecting the environment and promoting sustainable development in global partnership.

Recent years have witnessed intensified commitments and efforts aimed at poverty reduction and sustainable economic development in every country and region around the world. The strengthened development partnership has helped focus resources and efforts to reduce poverty, improve health care, promote development and protect the environment in many countries. However, there is still much to be done if the Monterrey Consensus is to be implemented fully and more effectively, with broader coverage of

eligible countries, to promote the implementation of the Millennium Development Goals.

Here, Viet Nam wishes to share its views on the following issues, which are of concern to us and to the international community as a whole.

First, in order to achieve targets in the areas of economic growth, social development and human development, developing countries need to mobilize domestic and external financial resources by undertaking measures to enhance Government revenue, develop domestic financial markets, reform legal frameworks and create a climate conducive to foreign investment. Here, it should be noted that although external resources are necessary in development financing, domestic resources always play the decisive role.

Secondly, developed countries, for their part, should expedite the implementation of their commitment to allocate 0.7 per cent of GDP for ODA and to provide financing on more favourable terms, while lessening financing conditionality. We welcome recent initiatives aimed at debt forgiveness for the poorest countries and other developing countries, and we look forward to their early and smooth implementation.

Finally, we hope that the international community will provide developing countries with a more equal and more important role in the formulation of international policies concerning development, investment, financial and monetary issues. We ask developed countries to open their markets further, remove non-tariff trade barriers and maintain preferential treatment to support effective participation by least developed and developing countries in the international trading system.

We are very grateful for the effective cooperation and support of the international community, donors and international organizations with regard to Viet Nam's national construction and development aimed at enabling us to achieve the Millennium Development Goals as soon as possible. We are prepared to share our development experiences with everyone. We request members' support for Viet Nam's committed efforts to accede to the World Trade Organization as soon as possible. We look forward to closer and more effective cooperation with all donors and international organizations in our development partnership, in the spirit of the Monterrey Consensus.

Under your excellent guidance, Mr. President, this Dialogue will surely be a great success.

The President (*spoke in French*): I now call on Her Excellency Mrs. Fayza Aboulnaga, Minister of International Cooperation of Egypt.

Mrs. Aboulnaga (Egypt) (*spoke in Arabic*): Permit me at the outset, Mr. President, to express my sincere appreciation for your efforts to give priority to overcoming the obstacles confronting us all in addressing international development issues in the context of both the High-level Dialogue on Financing for Development and the General Assembly's deliberations in preparation for September's High-level Plenary Meeting to review the integrated and coordinated implementation of and follow-up to the outcomes of the major United Nations conferences and summits in the economic, social and related fields.

Egypt is among a small number of countries considered to be both a recipient of official development assistance (ODA) and a donor to a number of least developed countries, particularly in Africa. That is why we attach particular importance to issues related to development financing and to the follow-up to the International Conference on Financing for Development.

Every country bears primary responsibility for its own economic and social development. However, it has now become clearer than ever before that national economies are intertwined with the global economic order, and that the international community — including developed countries in particular — thus bears the principal responsibility for creating an international environment conducive to national development efforts.

The Monterrey Conference reaffirmed that development is a shared responsibility of the international community. World leaders have therefore agreed to take concrete steps in a number of areas to promote a global development partnership. However, three years after our leaders met at Monterrey, we find that most of the commitments made by developed countries continue to be discussed and have gone unfulfilled. Those commitments need to be implemented now.

In spite of the ongoing suffering caused by hunger, disease and poverty, in particular in Africa, African countries, and developing countries in general,

have undertaken more serious efforts to create national economic environments favourable to development, intensifying political and economic reforms and strengthening administrative frameworks with a view to attracting investment and promoting the role of the private sector. However, developed countries must complement and support those efforts through the full implementation of their commitments in order to ensure their effectiveness and ultimate success.

Egypt believes that unless real and concrete steps are taken to achieve the internationally agreed development goals in a way that directly benefits the peoples of the developing countries, the Monterrey Consensus will, regrettably, remain a dead letter. Thus, we believe we must urgently work to realize the following principles and objectives.

First, developing countries must have the necessary national policy space in which to adequately address their peoples' needs and set their own national priorities, without having international conditions and requirements imposed on them, thus hindering national development efforts — in contrast to the historical development of the now developed countries, which were able to pursue their development free of pressures and the persistent difficult conditions affecting developing countries today.

Second, the United Nations should be able to play a key role in development so that it can carry out its responsibilities effectively. In that context, we stress the need for Member States to pay their dues to the United Nations in full and in a timely fashion and to make their contributions to the voluntary United Nations funds and programmes. To follow up the recommendations set out in the Monterrey Consensus, we must create a direct relationship between the Bretton Woods institutions and the funds and programmes of the United Nations, the Organization of universal membership.

Third, we welcome the intention of a number of developed countries to establish timetables to achieve the goal of devoting 0.7 per cent of their gross national income to official development assistance (ODA). However, we believe that this goal should be achieved more expeditiously. Moreover, it is an objective that all developed countries should attain. We stress the importance of reaching agreement as quickly as possible on additional, innovative sources of financing for development. Such financing should not create an additional burden for developing countries, and it should be implemented in accordance with each country's national laws and development priorities.

Fourth, in reviewing the effectiveness of development assistance programmes at the national and international levels in the framework of the relevant organizations, developed countries should give particular attention to the views of developing countries. We also stress the importance of better coordination between developed countries and donor institutions in order to avoid duplication of efforts, which prevents such programmes from efficiently achieving their objectives. Ensuring a clear division of labour among donors would be one step towards proper coordination with recipient countries.

Fifth, the Group of Eight's recent announcement regarding cancellation of the external debt of heavily indebted poor countries was an important step. However, in that context, we stress the importance of debt relief for middle-income countries — a category that includes Egypt — in which, according to World Bank reports, 70 per cent of the world's poor reside.

In that context, in addition to the aforementioned proposals, Egypt offers its experience in debt-for-development swaps, they are an effective and innovative tool for easing the burden of external debt on least developed countries and middle-income countries. Egypt has had successful ongoing experience in that regard, working in cooperation with a number of development partners. We would be happy to share our experience in detail during the deliberations of this High-level Dialogue and in the framework of the implementation of the Monterrey Consensus.

Sixth, it is important to give priority to addressing the special and urgent needs of Africa. In that regard, we stress the importance of coordinating the efforts of developed countries in support of development in Africa through African mechanisms such as the New Partnership for Africa's Development and African financial institutions. It is also important to respond positively to Africa's needs with respect to human capacity-building, the transfer of technology and knowledge and greater cooperation in research and development.

Seventh, September's High-level Plenary Meeting should send a clear and unequivocal message stressing the development aspects of the Doha round of

trade negotiations and the need to respond to the needs of developing countries within a suitable time frame so that agreement can be reached by 2006 without having to seek a conclusion to negotiations at whatever cost.

Eighth, the reform of the United Nations should be amplified by adopting concrete and practical steps for strengthening the voice and the participation of developing countries in decision-making and norm-setting processes in the international economic, financial and trade systems.

The time has come for the needs and interests of our peoples to prevail over political convenience. We must strive to implement the commitments made at various international conferences and summits in the economic, social and related fields, including Monterrey, in order to achieve the internationally agreed development goals.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Jean-Marc Hoscheit, Permanent Representative of Luxembourg.

Mr. Hoscheit (Luxembourg) (*spoke in French*): I have the honour to speak on behalf of the European Union. The acceding countries Bulgaria and Romania, the candidate countries Turkey and Croatia, the countries of the Stabilization and Association Process and potential candidates Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia and Serbia and Montenegro align themselves with this statement, a complete version of which has been distributed in written form.

The European Union attaches great importance to the High-level Dialogue, which provides an ideal opportunity for it to reaffirm its unreserved commitment to the Monterrey Consensus and to reviewing the progress made to date in its implementation. In that respect, the European Union believes that the participation of the main stakeholders, such as the Breton Woods institutions, the World Trade Organization, the private sector and civil society, is crucial to ensuring the coherence of the international community's action to achieve the Millennium Development Goals. That is all the more true this year because the High-level Dialogue constitutes an important step in the momentum leading up to the September summit.

We must combine our efforts to enhance the Monterrey global partnership, taking into account our mutual responsibilities and, accordingly, make progress in the following fields, which are the key elements of the financing for development process.

With respect to the mobilization of national resources, we all agreed at Monterrey that each country has primary responsibility for its own development. Moreover, external assistance can be effective only if it takes place within a favourable domestic environment. The strengthening of good governance and the implementation of a transparent and accountable system for managing public finances are of paramount importance for an effective use of domestic and external public resources and thus for achieving the Millennium Development Goals. In order to achieve the Goals, fully integrating them into poverty reduction strategies should be a priority. Particular attention must be given to cross-cutting issues such as gender and environmental sustainability, which are central to the realization of the Millennium Development Goals. There are other key issues in the social sector, such as sexual and reproductive health and rights.

In that regard, we reaffirm what is stated in the Monterrey Consensus: a transparent, stable and predictable climate is of decisive importance for investment.

Trade is a key element of financing for development, as affirmed in the Monterrey Consensus. Trade liberalization and improved multilateral trade rules can play a crucial role in achieving the Millennium Developments Goals.

In that context, the sixth Ministerial Conference of the World Trade Organization (WTO), to be held in Hong Kong in December 2005, is an opportunity not to be missed. The European Union is firmly committed to ensuring a development-friendly, sustainable and ambitious outcome for the Doha Development Agenda that maximizes development gains. Building on its experience with the Everything but Arms initiative, the European Union urges developed members of the WTO — as well as developing country members in a position to do so — to provide duty-free and quota-free market access for all products originating from least-developed countries.

The European Union is also aware of the need to enhance capacity-building and investment in trade-related infrastructure. The Union is firmly committed to providing increased and more effective trade-related

assistance and welcomes initiatives in that regard, including by the establishment of a new mechanism.

Increased official development assistance (ODA) is urgently needed to achieve the Millennium Development Goals. In the context of reaching the existing commitment to attain the internationally agreed ODA target of 0.7 per cent of gross national income, the European Union notes with satisfaction that its member States are on track to achieve in 2006 the 0.39 per cent ODA target contained in the Barcelona commitments. At present, four of the five countries which exceed the United Nations ODA target of 0.7 per cent of gross national income are States members of the European Union. Five others have committed themselves to a timetable to reach that target. The 10 new European Union members are on track to join the European Union ODA targets. That clearly demonstrates that it is possible to evolve from recipient to donor of international aid.

While reaffirming the Union's determination to reach those targets, during last week's meeting of the European Union Council, ministers agreed for the first time to a collective target of 0.7 per cent by 2015 and to an intermediate European Union target of 0.56 per cent of gross national income by 2010. That would almost double annual European Union aid from the 2004 level of €35 billion, or $43 billion, by €31 billion, or $38 billion, to annual levels of €66 billion, or $81 billion, by 2010. The European Union calls on other donors to make every effort to implement similar timetables.

The European Union shares the view that, in addition to increased levels of ODA, we need innovative financing mechanisms in order to attain the Millennium Development Goals. To increase levels of financing for development, the European Union is considering innovative sources of financing to provide additional, stable and predictable flows.

While it is making efforts on the quantity of aid, the European Union stresses the need simultaneously to improve its quality. We know that aid works best when it is: harmonized among donors; coordinated around country-owned strategies and processes; focused on the poorest; untied and delivered in a predictable manner; and provided in the context of other policies which support development.

The European Union welcomes the progress made at the high-level forum organized in Paris in March by the Development Assistance Committee of the Organization for Economic Cooperation and Development and is fully committed to the swift implementation and monitoring of the Paris Declaration on Aid Effectiveness. The European Union hopes that the Paris Declaration, already endorsed by more than 90 States, will be universally implemented.

The Development Assistance Committee's recommendation on the untying of official development assistance to least developed countries is under consideration by European Union member States. We shall be addressing the challenge of untying aid by adopting as soon as possible, on the basis of the Committee's proposal, a regulation on the access to European Community external assistance.

The European Union recognizes that aid has the greatest impact when it targets the poorest countries. For that reason, the European Union is committed to spending 50 per cent of its additional aid in Africa beginning in 2006. We also recognize the specific development needs of middle-income countries, and the European Union will continue to address them.

The European Union recognizes the importance of non-development-related policies for assisting developing countries in achieving the Millennium Development Goals. Building on the Community's existing treaty obligation, the European Union will take account of development-cooperation objectives in all policies that it implements which are likely to affect developing countries.

The European Union also remains committed to finding solutions, in cooperation with international financial institutions, to unsustainable debt burdens, and it is committed to full implementation of the enhanced Heavily Indebted Poor Countries (HIPC) Debt Initiative. In that context, we welcome the progress made by the International Monetary Fund (IMF) and the World Bank in preparing their debt sustainability framework and the proposal made by the Group of Eight (G-8) at its meeting held on 10 and 11 June 2005 to cancel the debt stock of HIPC countries which have reached the completion point. It will be vital to agree on the details of such further multilateral debt relief and to successfully implement it. It is crucial that donors fulfil their commitment under the G-8 proposal to compensate the institutions for the costs of debt stock cancellation in order not to compromise the financial integrity of those institutions.

The European Union is a strong supporter of the agenda regarding strengthening the voice of developing countries, and we believe that it is very important that progress be made on that issue. As called for in the Monterrey Consensus, we have encouraged and will continue to encourage the IMF and the World Bank to consider innovative and pragmatic ways to strengthen the voice and effective participation of developing countries in those institutions' decision-making processes.

The European Union intends to continue to stay closely engaged in the follow-up to the Monterrey Conference. The present High-level Dialogue provides a second — and a fresh — opportunity for stocktaking, and we are confident that it will generate momentum to move the process forward.

At the September 2005 summit, we will reinvigorate our efforts to implement the Millennium Declaration, attain the Millennium Development Goals and fulfil the promise of our Monterrey partnership commitments; it will be the first milestone on our way to 2015. The implementation of the Monterrey Consensus and a strong commitment by Governments and international organizations to promote coherence, coordination and cooperation will be crucial if we are to make the necessary progress. This integrated approach underpins the Monterrey Consensus and the outcomes of the Johannesburg World Summit on Sustainable Development and the Doha Ministerial Conference, and it needs to be promoted and developed in the years ahead if we are to make progress in lifting millions of people out of extreme poverty.

The meeting rose at 1.20 p.m.